

Simon
THE BOARD OF SUPERVISORS OF THE COUNTY OF STANISLAUS
ACTION AGENDA SUMMARY

DEPT: STRATEGIC BUSINESS TECHNOLOGY

BOARD AGENDA # *B-14

Urgent ☐

Routine ☒

CEO Concurs with Recommendation YES ☒ NO ☐
(Information Attached)

AGENDA DATE 05/23/06

4/5 Vote Required YES ☒ NO ☐

SUBJECT:

Approval To Negotiate and Enter Into A Licensing Agreement with Oracle Corporation Funded Through a Transfer From Appropriations For Contingencies And Approval of a Software License and Account Management Policy.

STAFF RECOMMENDATIONS:

1. Approve the purchase of 300 "E-Business Suite" Licenses and product support and updates.
2. Approve by a four-fifths vote of the Board of Supervisors a \$355,243 transfer from Appropriations for Contingencies to fund the purchase of the licenses and support.
3. Authorize the Chief Executive Officer to negotiate and enter into a new agreement with Oracle Corporation for the purchase of the licenses and support.

Continued next page:

FISCAL IMPACT:

The total cost of the recommended proposal is \$355,242.84 which is to be paid upon contract signing and is recommended to be funded through a transfer from Appropriations for Contingencies. This includes \$310,024.05 in actual license costs and product support and updates through January 15, 2007 at a cost of \$45,218.79 (\$77,937.09 less a credit of \$32,718.30 for prepaid support costs under the former agreement). The proposal includes a credit to the County for the licenses purchased in 2003 for the Financial Management System, minus a 10% fee for updating the license.

Continued next page:

BOARD ACTION AS FOLLOWS:

No. 2006-387

On motion of Supervisor Grover, Seconded by Supervisor Mayfield

and approved by the following vote,

Ayes: Supervisors: O'Brien, Mayfield, Grover, DeMartini, and Chairman Simon

Noes: Supervisors: None

Excused or Absent: Supervisors: None

Abstaining: Supervisor: None

1) X Approved as recommended

2) _____ Denied

3) _____ Approved as amended

4) _____ Other:

MOTION:

ATTEST:

Christine Ferraro
CHRISTINE FERRARO TALLMAN, Clerk

File No.

Recommendations Continued:

4. Authorize the Auditor-Controller to increase estimated revenue and appropriations in the amount of \$355,243 in the Strategic Business Technology Budget.
5. Approve the Financial Management System License and Account Management Policy for the administration and management of the Oracle Software Licenses.

Fiscal Impact continued:

The proposal also includes a commitment by Oracle to limit recurring update and maintenance support costs for five years at a fixed 4% increase per year. Funding for future update and maintenance support costs will be paid out of the Strategic Business Technology department's budget each year.

DISCUSSION:

In 2003, partly in response to escalating update and support costs, the County negotiated a licensing agreement with Oracle Corporation. That negotiation changed the methodology used to determine the number of licenses required for the County financial system. The initial purchase of licenses in 1999 had been based on a "concurrent user" model whereby the County was licensed by the number of simultaneous users (100) accessing the financial system. The agreement from 2003 required that a license be purchased for every "named user"; that is for every user with a unique access to the system regardless of how frequently a user accessed the system. This 2003 licensing structure also required separate licenses for various modules of the system.

When the licenses were purchased in 2003, an accurate accounting was not made of the number of unique users in the system. Furthermore, procedures were not developed to manage the growth of user accounts in the financial system. There had been some expectation that third-party solutions, that is non-Oracle applications, might be purchased or developed to provide read-only access to financial system data without incurring licensing costs, but that never occurred. The result is that the County has a significant shortfall in licenses for this system.

On March 9 of this year, Stanislaus County received a notice from Oracle Corporation advising the County that it had been selected for a license review. During the course of both the County's internal review of the license situation,

and Oracle's external review, the license shortfall was discovered. Additionally, the audit discovered database licenses, separate from the application licenses, which will also need to be acquired. These database licenses will cost \$13,463.35 and can be funded within the existing ICJIS project budget.

During negotiations with Oracle Corporation, an option was identified to upgrade the current licenses that the County owns to an Oracle Corporation program known as "E-Business Suite". The licenses purchased in 2003 employed an "a la carte" licensing model where the type of access, update versus read only, determined the level of licensing required. The E-Business Suite license allows all "named users" to have access to any of the modules that it covers with a single license per user. Furthermore, the E-Business Suite license encompasses some financial modules for which the County has never been previously licensed. In particular the Advanced Procurement component appears to have significant benefits for streamlining, standardizing and monitoring County procurement efforts.

The negotiated contract with Oracle Corporation includes 300 E-Business Suite licenses, and five years of updates and maintenance support. The purchase of these licenses would fulfill any obligations the County has to be compliant with the Oracle licensing agreements associated with the Oracle financials system. It will permit all current "named users" in the County financial management system access to the E-Business Suite of financial modules. The County is being given credit for the 202 financial management system licenses it already owns and is purchasing an additional 98 licenses based on the actual number of users in the system. Normally, the purchase of E-Business Suite licenses requires that 10% of an organization's labor force be licensed. As a result of the current negotiation, Stanislaus County was able to reduce that number to just over 7% thus reducing costs. In addition, the County was able to negotiate a substantial 57% discount off the cost of the licenses if the purchase is completed prior to May 31, 2006, Oracle's fiscal year closing date.

A discounted recurring annual cost for updates and support for the financial management system has been negotiated in the contract with Oracle Corporation to facilitate budgeting for the next five years.

To ensure future compliance, a policy has been created, and is attached for approval, for managing licensing and accounts in the financial management system going forward. It creates a process whereby accounts will not be created by the Auditor-Controller's Office until an appropriate license has been identified or procured. It also creates an audit and annual review process to ensure that license and account management is being administered appropriately.

The negotiated contract with Oracle Corporation sets a sharply discounted price on any additional licenses to be purchased for the next 12 months, should Departments determine that their current allocations do not meet their needs. The cost of those licenses will be paid directly by the requesting Departments, once it is determined they have no remaining allocations.

It is recommended that the Chief Executive Officer be authorized to enter into an agreement with Oracle Corporation for the purchase of the E-Business Suite licenses and for support and update services. County financial management system users will observe no change in the functioning of the system unless and until the County implements the additional modules whose use would now be permitted under the new contract.

It is further recommended that the attached Financial Management System License and Account Management Policy be adopted and implemented immediately by the Auditor-Controller's Office and Strategic Business Technology to ensure compliance with vendor licensing requirements.

POLICY ISSUES:

In order to continue to meet the Board priority of "Efficient delivery of Government Services through improved efficiency of County government processes", system applications as well as technological improvements and changes must be supported on an on-going basis to not only stay current, but to improve processes.

STAFFING IMPACT

Implementation of this policy will be performed with existing department staff and will result in minimal impact. The policy will add additional control steps to the approval process for granting access to the financial accounting system.

AUDITOR-CONTROLLER BUDGET JOURNAL

BUDGET JOURNAL SCREEN

Budget Organization

Stanislaus Budget Org

Budget

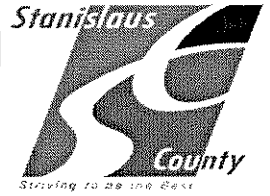
LEGAL BUDGET

Accounting Period From

Jul-05

To

Jun-06



BATCH SCREEN

Journal Batch

CEO KA 05-18-06

BO --

Category

Budget

Line	Coding Structure							Period	Description
	Fund	Org	Account	G/L Proj	Loc	Misc		May-06	
	4	7	5	7	6	6		AMOUNT	
1	0100	0016070	89000				.0	(355,243.00)	Decrease Approp for Cont. (to Transfer Out)
2	0100	0016070	85850				.0	355,243.00	Transfer Out
3	5031	0048100	62210				.0	355,243.00	Increase SBT Licenses
4	5031	0048100	46600				.0	355,243.00	Increase SBT Revenue Account
5							.0		
6							.0		
7							.0		
8							.0		
9							.0		
10							.0		
11							.0		
12							.0		
13							.0		
14							.0		
15							.0		
16							.0		
17							.0		
18							.0		
19							.0		
20							.0		
21							.0		
22							.0		
23							.0		
24							.0		
25							.0		
Totals								710,486.00	

Explanation: Transfer \$355,242.84 from Appropriations for Contingencies to the Strategic Business Technology Dept.'s annual license account in order to pay for annual license, update and support costs for Oracle's E-business Suite. Per Board agenda item 5/23/06 #B-14

Requesting Department		CEO	Auditors Office Only	
Kristi Amaral		Signature 5-19-2006	Admin Approval (\$75K+)	
Signature			5-19-06	
5/18/2006			Date	
Date		Date	Date	



STANISLAUS COUNTY

FINANCIAL MANAGEMENT SYSTEM LICENSE AND USER ADMINISTRATION POLICY May 23, 2006

The effective administration of users of software packages is critical if the County is to remain in compliance with contracts and avoid additional costs. Departments must provide funds for and secure additional software licenses when necessary to stay in compliance with licensing agreements. It is critical that the County has effective processes in place to manage the use of software packages and to remain in compliance with licensing requirements.

Purpose of the Policy

It is the policy of the County to remain in compliance with all contractual commitments. The purpose of the Financial Management System License and Administration policy is to provide structure and guidelines for all changes (adds, changes, deletes) to the system users for which the administrator for the Financial Management System is responsible. This policy will be applied to all County departments to ensure a uniform and consistent implementation. With this policy in place, the County will maximize standardization and efficiency, while keeping Financial Management System license costs to a minimum.

Parties & Responsibilities

Responsibilities will be clearly defined, as follows:

All staff will comply with the restrictions in the contract, including one sign-on for each staff member.

Departments will be responsible for ensuring that the new users they request be added will access the system on a regular basis. After May 2006, all requests for adding a user will require a funding source (fund/org) to acquire additional required licenses (unless there is an unassigned license available for that Department). There will be no additional cost to the department if a new user is replacing an existing one within the department. The data provided to the administrator must be accurate. The department is also responsible for reviewing their users in the biannual reports issued for the Financial Management System by the Auditor-Controller and confirming the deletion of unused user accounts. The allocation of licenses to the departments will be the existing base number of users.

The Auditor-Controller's office will be responsible for ensuring the user administration request is completed within 5 business days of the request being received. The

Auditor-Controller's office must also monitor the use of the system and issue a biannual usage report to each department, which will review it , and advise on any changes.

Strategic Business Technology will be responsible for ensuring that the system remains available to the users, as well as performing the annual user audit in conjunction with the Auditor-Controller's office.

The CEO Office will be responsible for reviewing the annual Financial Management System user audit report after it has been signed by the Auditor-Controller, the Department Heads using the system and the County Information Security Manager.

Policy Statements

One form has been developed to cover License and User Account Administration and is included for approval. This form (request) must be signed by the department head or their designated manager.

Adding New Users. The request to add a new user, above a department's current allocation, must identify a funding source, as each net new account will require a license to be purchased from the vendor. However, if a department authorizes another user to be deleted, then a staff member can be added without additional cost. The completed form should identify the appropriate responsibilities for which the user is to be granted access.

Changing Current Users. A signed User Change Administration request is all that is required.

Deleting Current Users. The deletion of users by the Financial Management System Administrator will be performed upon a signed request, from HR if the employee has been terminated, or unless there has been no activity on a user account for six months. The department's allocation of licenses will remain the same.

Transferring Users Between Departments. Both department heads (or their designated manager) will sign the User transfer. As there is no additional license purchase required, no funding source would be required unless the department from which the employee is being transferred requires the existing user license. The department to which the employee is being transferred must provide a funding source to purchase the new software package license.

Audit Capability. A clear and easily accessible audit trail of software package user adds, changes and deletes must be available to the County. The audit process must allow for internal, external and inter-department auditing. There will be a license and user audit performed every year by the County Information Security Manager, from a report run by the Financial Management System Administrator. It will be reviewed by department heads, and the CEO Office.

The County will comply with this policy, including secure record keeping for five years. Departments will comply with this policy that requires all Financial Management System changes to be approved and signed off by the department head or their management designee.

Implementation of this Policy

Upon approval of this policy by the Board of Supervisors all departments will be expected to adhere to this policy as it is written. Prior to implementation the department head and the CEO Office must approve all exceptions.

Audits/Accountability

Compliance with the Financial Management System License and User Administration Policy will be subject to established audit procedures. Audit results will be reported to the Chief Executive Officer.

Possible Reduction in Users

If the audit process shows over several audits that the ongoing usage of a software package is significantly less than originally contracted, then a CEO Office or Department approach should be made to the vendor to renegotiate a reduction in the annual maintenance fee. Any savings derived from a reduction would be allocated proportionally to the user departments.



STANISLAUS COUNTY

Purchasing Division

P.O. Box 3229
1010 TENTH ST, SUITE 5400
MODESTO, CALIFORNIA 95353
TEL: (209) 525-6319
FAX: (209) 525-7787

SHIP TO

SBT ADMINISTRATION
(209) 525-4357
801 11TH ST #4100
MODESTO, CA 95354

BILL TO

SBT ADMINISTRATION
(209) 525-4357
801 11TH ST #4100
MODESTO, CA 95354

Purchase Order

PURCHASE ORDER NO. REVISION PAGE

68324 0 1

THIS PURCHASE ORDER NUMBER MUST APPEAR ON
ALL INVOICES, PACKING LISTS, CARTONS AND
CORRESPONDENCE RELATED TO THIS ORDER.

DATE OF ORDER BUYER
24-MAY-06 J Nelson

DATE OF REVISION BUYER

VENDOR: ORACLE CORP
ORACLE CORP
PO BOX 44471
SAN FRANCISCO, CA 94144-4471

PAID

CUSTOMER ACCT NO.	VENDOR NO.	PAYMENT TERMS	FREIGHT TERMS	F.O.B.	SHIP VIA
6761	30 NET	PREPAID	DESTINATION	COMMON CARRIER	
CONFIRM TO/TELEPHONE			REQUESTOR / DELIVER TO		
(415) 633-4358					

Line	PART NUMBER / DESCRIPTION	DELIVERY DATE	QUANTITY	UNIT	UNIT PRICE	EXTENSION	TAX
1	CONTRACT A00284 CONTRACT 05/06 ORACLE LICENSES AND SERVICES AGREEMENT THROUGH 01/15/2007 CONTRACT MAX \$355,243. EXPIRES 01/15/2007 5031.0048100.62210					355,243.00	N

Total 355,243.00

AUTHORIZED SIGNATURE

CONTRACT COVER SHEET

☒ NEW CONTRACT ☐ AMENDMENT TO CONTRACT (PO# _____ /Contract # _____)

PLEASE FORWARD COVER SHEET, WITH CONTRACT AND AMENDMENT (IF APPLICABLE), TO THE PURCHASING DIVISION.

CONTRACTOR:

DEPARTMENT: 545T

DIVISION:

PREPARED BY:

PHONE:

DATE:

VENDOR NUMBER:

CONTRACT DESCRIPTION:

LINE DESCRIPTION

FUND

*REQUIRED

ORG

*REQUIRED

ACCT

*REQUIRED

GL PROJ

LOC

MISC

AMOUNT

(ENCUMBRANCE AMOUNT FOR
CURRENT FISCAL YEAR)

-1-

-2-

-3-

-4-

-5-

***** IMPORTANT *****

RATE OF PAY: _____

PAYMENT TERMS: _____

CONTRACT EFFECTIVE DATE: _____

EXPIRATION DATE: _____

APPROXIMATE FREQUENCY OF PAYMENTS: _____

ADOPTED BY THE BOARD: ☒ Y or ☐ N ☐ CURRENT-YEAR or ☐ RESOLUTION NO: _____

ADDITIONAL INFORMATION TO BE PRINTED ON PO: 1001-15-2007

NOTES: Max 355,243.

***** THIS SECTION IS FOR PURCHASING DIVISION USE. *****

TYPE 2 REV # 0 MAX EXT YR 0 ACT EXT YR 0 MAX AMT _____

APPROVED BY: _____ ENTERED BY: _____

CONTRACT #: 400284

DATE: 5/24/07 DATE: _____

PO #: 608324

Distribution: Original - Purchasing, Yellow - Auditor A/P, Pink - Department

COUNTY OF STANISLAUS - MODESTO, CALIF.

John Aasen

PHONE NO.

By

DEPARTMENT NAME ONLY

DELIVERY ADDRESS

DEPT.#/INDEX#

REQUISITION NO.

DATE _____

PROJECT NO.

VENDOR NO.

[illegible]

County Administrator

Head of Department or Office

Purchasing Agent

: BID NUMBER



ORDERING DOCUMENT

Your Name STANISLAUS COUNTY
Your Location 1010 10th Street
Suite 6800
MODESTO
CA 95354

ORACLE CONTRACT INFORMATION

Agreement Oracle License and Services Agreement
Agreement Name Oracle License and Services Agreement v040106_M

This ordering document incorporates by reference the terms of the agreement specified above ("agreement").

A. PROGRAMS AND SERVICES

You have ordered the program licenses and 231 days of technical support services described below. Technical support services shall be for a period commencing on May 30, 2006 and ending on January 15, 2007. Listed below is a summary of net fees due under the ordering document. These fees are exclusive of any applicable shipping charges or applicable taxes.

All fees on this Ordering Document are in US Dollars

License Summary

Product Description / License Type	Quantity
E-Business Suite 2003 Professional User - Professional User 2003	300

New Licenses

Product Description / License Type	Quantity	List Fee	Discount %	Net Fee
E-Business Suite 2003 Professional User - Professional User 2003	98			
License		391,510.00	57.00	168,349.30
Software Update License & Support		54,511.06	57.00	23,439.76

License Migration

Net to Net Existing Licenses (Terminated)	CSI	Quantity	Migrated Licenses (New)
Financials Applications - Read Only Perpetual	13856373	120	E-Business Suite 2003 Professional User - Professional User 2003
Inventory Inventory/Shipping User Perpetual	13856373	5	E-Business Suite 2003 Professional User - Professional User 2003
Purchasing Purchasing User Perpetual	13856373	5	E-Business Suite 2003 Professional User - Professional User 2003
Order Management Order Man. User Perpetual	13856373	5	E-Business Suite 2003 Professional User - Professional User 2003
Financials Financials User Perpetual	13856373	67	E-Business Suite 2003 Professional User - Professional User 2003

Net to Net Migrated Licenses (New)	Quantity	List Fee	Discount %	Net Credit	Net Fee
E-Business Suite 2003 Professional User - Professional User 2003	202				
License		806,990.00	57	228,145.50	118,860.20
Software Update License & Support					49,267.55

Other Fees	Net Fee
E-Business Suite 2003 License Upgrade Fee	22,814.55
E-Business Suite 2003 Support Upgrade Fee	5,169.78

Media Pack Description	Quantity	Net Fee
Oracle® Applications 11i Media Pack for Linux x86	1	60.00

	List Fee	Discount %	Net Fee
Oracle Programs License Fees	391,510.00	57.00	168,349.30
Oracle Programs Support Fees	54,511.06	57.00	23,439.76
Net To Net Migrated Licenses (New) License Fees			118,860.20
Net To Net Migrated Licenses (New) Support Fees			49,267.55
License Model (E-Commerce) No Services Other Fees Fees	27,984.33		27,984.33
Linux X86 Media Fees	60.00		60.00
Net Fees			387,961.14
Total Fees			387,961.14

B. General Terms

1 Commencement Date

All program licenses and the period of performance for all services are effective upon shipment of tangible media or upon the effective date of this ordering document if shipment of tangible media is not required.

2 Territory

The program licenses and services described in section A are for use in the U.S.

3 Fees, Invoicing, and Payment Obligation

a. All fees due under this ordering document shall be non-cancellable and the sums paid nonrefundable, except as provided in the agreement.

b. License and services fees are invoiced as of the commencement date. Service fees are invoiced after performance of the service; specifically, technical support fees are invoiced quarterly in arrears from the commencement date.

c. In addition to the fees listed in section A, Oracle will invoice you for any applicable shipping charges or applicable taxes.

d. In entering into payment obligations under this ordering document, you agree and acknowledge that you have not relied on the future availability of any program or updates.

4 Delivery and Installation

a. Oracle has made available to you for electronic download at the electronic delivery web site located at the following Internet URL: <http://edelivery.oracle.com> the programs listed in section A. Through the Internet URL, you can access and electronically download to your location the current production release as of the effective date below of the software and related documentation for each program listed in section A. Provided that you have continuously maintained technical support for the programs listed in section A, you may continue to download the software and related program documentation for the programs listed in section A. Please be advised that not all programs are available on all hardware/operating system combinations. For current program availability please check the electronic delivery web site. Oracle will deliver the tangible media on the particular hardware/operating system combination(s) listed in section A to the address specified by you on your purchasing document or when your purchasing document does not indicate a ship to address, the location specified on page 1 of this ordering document. Each media pack consists of the current production release as of the effective date below for 1 copy of the software media and 1 set of program documentation (in the form generally available) for each program included in the media pack. You agree to pay applicable media and shipping charges. The applicable shipping terms for the delivery of tangible media are: FCA Shipping Point, Prepaid, and Add. You acknowledge that Oracle's delivery obligation under this ordering document is met by the provision of the electronic delivery web site URL.

b. You shall be responsible for installation of the software.

5 Source Code

Oracle may deliver source code as part of its standard delivery for particular programs; all source code delivered by Oracle is subject to the terms of the agreement, ordering document and program documentation.

6 Segmentation

The program licenses provided in this ordering document are offered separately from any other proposal for consulting services you may receive or have received from Oracle and do not require you to purchase Oracle consulting services.

7 Customer Reference

In consideration of the discounts granted to you under this ordering document, Oracle may refer to you as a customer in sales presentations, marketing vehicles and activities. In addition you agree to become part of Oracle's reference program by working with a representative from Oracle Marketing to develop a customer profile for use on Oracle.com and for other promotional activities at Oracle's discretion. The profile will include a quote from an executive of your company and your company's logo.

8 Order of Precedence

In the event of any inconsistencies between the agreement and this ordering document, this ordering document shall take precedence.

C. Future Purchases

1 Price Hold

a. For a period of 12 months from the effective date of this ordering document, you may order the programs (and first year of Software License Update & Support for the programs) at the appropriate license and support fees specified on the attached Price Hold Exhibit, provided (i) such programs are available in production release when ordered; and (ii) you have continuously maintained Software Update License & Support for the program licenses listed in section A.

b. Each order placed pursuant to this section will specify Oracle's delivery obligation. If the order specifies delivery, the programs will be delivered via electronic download. If electronic download is not possible or otherwise agreed to the parties, tangible media will be delivered. Whenever the delivery of tangible media is required, you are charged for media and the shipping terms are FCA: Shipping Point, Pre-paid and Add.

2 Additional Copies of Programs

Provided that you have continuously maintained technical support for the programs listed in section A, you may order media packs at the standard media fee in effect at the time your order is placed provided the programs listed in section A for use on the computer/operating system combination requested by you are available in a production release.

D. Modification to the terms of the agreement

1 Technical Support

Paragraph 3 in section H. Technical Support is deleted and replaced with the following: "Technical support acquired with your order may be renewed annually and, if you renew technical support for the same number of licenses for the same programs (except for any program designated as a third party program), for the first, second, third and fourth renewal years the fee for technical support, (except for technical support fees for third party programs), will not increase by more than 4% over the prior year's fees. Unless otherwise provided in your order, the technical support fee for third party program that are identified, as supportable programs licensed pursuant to an ordering document will equal the fee in effect at the time such technical support is renewed. If your order is fulfilled by a member of Oracle's partner program, the fee for technical support (except for any program designated as a third party program) for the first renewal year will be the price quoted to you by your partner; the fee for technical support (except for any program designated as a third party program) for the second renewal year will not increase by more than 5% over the prior year's fees."

2 Technical Support (Renewal)

For the purposes of paragraph 3 in section H of the agreement (Technical Support), the prior year's fees for the first renewal year is based on 12 months of technical support and is equal to \$120,053.62."

3 Nondisclosure

Add the following to the end of section K. Nondisclosure: "If you are subject to disclosure obligations under the United States Freedom of Information Act, California Public Records Act, or similar statute or regulation, confidential information related to terms, conditions and pricing under this agreement may be disclosed only pursuant to requests made in accordance with the relevant statute or regulation, and will be disclosed only after providing Oracle full opportunity to establish that such information is exempt from the disclosure obligation, or to seek a protective order."

4 Other

Paragraph 1 in section O. Other is deleted and replaced with the following: "This agreement is governed by the substantive and procedural laws of California and you and Oracle agree to submit to the exclusive jurisdiction of, and venue in, the courts of San Francisco, San Mateo, Santa Clara, or Stanislaus counties in California in any dispute arising out of or relating to this agreement."

E. Other

1 License Summary

The license summary section above provides a comprehensive list of the program licenses that you have ordered pursuant to this ordering document. The new licenses and license migration/ upgrade sections describe in further detail the program licenses and associated fees.

2 E-Business Suite License Upgrade/Migration

You agree to upgrade/migrate licenses previously acquired to new license types and/or program names. The existing licenses to be upgraded/migrated are specified in the Net to Net Existing Licenses (Terminated) column above. These licenses are upgraded/migrated to the number of licenses and license types specified in the Net to Net Migrated Licenses (New) column above. All existing licenses that are being upgraded/migrated will be deemed terminated upon execution of this ordering document. You will no longer have any right to use the terminated licenses. If your licensing needs increase in the future, you must purchase any necessary licenses to meet your increased needs. You will not be permitted to reinstate the terminated licenses.

3 Credit for Unused Support

The technical support fees in section A of this ordering document shall be reduced by the amount of unused technical support associated with the terminated licenses ("credit for unused support"), provided the invoices for such technical support have been paid in full. The amount of unused technical support as of May 30, 2006 is \$32,718.30 and represents an estimate of your credit for unused support. The credit for unused support is calculated based on the effective date of this ordering document and the actual reduction to the technical support fees is applied after the execution of this ordering document.

F. E-Business Suite 2003

1 Professional User 2003

A Professional User 2003 is defined as an individual authorized by you to use the application programs which are installed on a single server or multiple servers, regardless of whether or not the individual is actively using the programs at any given time. Professional Users 2003 are allowed to manually enter orders directly into the programs but any orders entered electronically into Order Management from other sources must be licensed separately.

2 Included Programs

The programs specified on the attached e-business suite 2003 exhibit are included in the E-Business Suite 2003 Professional User.

3 Program Purchasing Restrictions

Now that you have licensed the E-Business Suite 2003 Professional User, you acknowledge that you are no longer able to purchase those programs contained in the E-Business Suite 2003 Professional User on a per program basis with the exception of the Order Management program as described below. Any additional licenses needed for those programs contained in the E-Business Suite 2003 Professional User must be purchased via the professional user 2003 and/or professional user 2003- external metrics with the exception of Order Management. Order Management may be purchased via the electronic order line metric.

Technical Contact	STANISLAUS COUNTY	Contract Administrator	STANISLAUS COUNTY
Location	1010 10th Street Suite 6800 MODESTO CA 95354	Location	1010 10th Street Suite 6800 MODESTO CA 95354
Contact	Eddie Okamoto	Contact	Stan Risen
Phone	209-567-4281	Phone	209-525-7925
Fax	209-544-6226	Fax	209-544-6226
Email Address	okamotoe@stanislaus.ca.us	Email Address	risens@co.stanislaus.ca.us

This quote is valid through May 30, 2006 and shall become binding upon execution by you and acceptance by Oracle.

STANISLAUS COUNTY

ORACLE USA, INC.

Signature _____
Name _____
Title _____
Signature Date _____
Effective Date _____

Signature _____
Name _____
Title _____
Signature Date _____

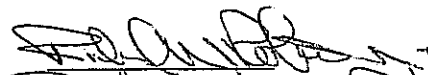
(to be completed by Oracle)

Signature

Name

Title

Signature Date


Richard W. Robinson
CEO
5/24/2006

PRICE HOLD EXHIBIT

Programs	License Type	Quantity	License Fee	First Year Software Update License & Support Fee
E-Business Suite Professional User 2003	Professional User 2003	1	1,717.85	377.93

E-Business Suite 2003 Exhibit

Business Area	Programs
Intelligence	E-Business Intelligence
Marketing and Sales	Marketing, TeleSales, Field Sales
Order Management	Order Management
Logistics	Inventory Management
Procurement	Purchasing
Manufacturing	Discrete Manufacturing, Process Manufacturing
Service	TeleService, Service Contracts
Projects	Project Costing, Project Billing
Financial	Financials
Human Resources	Human Resources



ORACLE LICENSE AND SERVICES AGREEMENT

A. Agreement Definitions

"You" and "your" refers to the individual or entity that has executed this agreement ("agreement") and ordered Oracle programs and/or services from Oracle USA, Inc. ("Oracle") or an authorized distributor. The term "programs" refers to the software products owned or distributed by Oracle which you have ordered, program documentation, and any program updates acquired through technical support. The term "services" refers to technical support, education, outsourcing, consulting or other services which you have ordered. The term "program documentation" refers to the program user manual and program installation manuals. The term "third party programs" refers to programs designated in an ordering document as a third party program. The term "ancillary programs" refers to third party materials delivered with the programs as specified on the ordering document or the program documentation.

B. Applicability of Agreement

This agreement is valid for the order to which this agreement accompanies.

C. Rights Granted

Upon Oracle's acceptance of your order, you have the limited right to use the programs and receive any services you ordered solely for your internal business operations and subject to the terms of this agreement, including the definitions and rules set forth in the order and the program documentation. You may allow your agents and contractors to use the programs for this purpose and you are responsible for their compliance with this agreement in such use. If accepted, Oracle will notify you and this notice will include a copy of your agreement. Program documentation is delivered with the programs, or you may access the documentation online at <http://oracle.com/contracts>. Services are provided based on Oracle's policies for the applicable services ordered, which are subject to change, and the specific policies applicable to you, and how to access them, will be specified on your order. Upon payment for services, you will have a perpetual, non-exclusive, non-assignable, royalty free license to use for your internal business operations anything developed by Oracle and delivered to you under this agreement; however, certain deliverables may be subject to additional license terms provided in the ordering document.

The services provided under this agreement may be related to your license to use programs which you acquire under a separate order. The agreement referenced in that order shall govern your use of such programs. Any services acquired from Oracle are bid separately from such program licenses, and you may acquire either services or such program licenses without acquiring the other.

D. Ownership and Restrictions

Oracle or its licensors retain all ownership and intellectual property rights to the programs. Oracle retains all ownership and intellectual property rights to anything developed by Oracle and delivered to you under this agreement resulting from the services. You may make a sufficient number of copies of each program for your licensed use and one copy of each program media. With respect to Siebel programs, you may only make a sufficient number of copies of each such program to support the maximum number of users of such program(s).

You may not:

- remove or modify any program markings or any notice of Oracle's or its licensors' proprietary rights;
- make the programs or materials resulting from the services available in any manner to any third party for use in the third party's business operations (unless such access is expressly permitted for the specific program license or materials from the services you have acquired);
- cause or permit reverse engineering (unless required by law for interoperability), disassembly or decompilation of the programs;
- disclose results of any program benchmark tests without Oracle's prior written consent;
- use third party programs except in connection with PeopleSoft and/or JD Edwards programs; or
- use ancillary programs except in connection with Siebel programs and only for the purposes of installing or operating the Siebel programs.

E. Warranties, Disclaimers and Exclusive Remedies

The provisions of this paragraph and the following two paragraphs do not apply to third party programs nor ancillary programs. Oracle warrants that a program licensed to you will operate in all material respects as described in the applicable program

documentation for one year after delivery. You must notify Oracle of any program warranty deficiency within one year after delivery. Oracle also warrants that services ordered will be provided in a professional manner consistent with industry standards. You must notify Oracle of any services warranty deficiencies within 90 days from performance of the services described in the ordering document.

ORACLE DOES NOT GUARANTEE THAT THE PROGRAMS WILL PERFORM ERROR-FREE OR UNINTERRUPTED OR THAT ORACLE WILL CORRECT ALL PROGRAM ERRORS.

FOR ANY BREACH OF THE ABOVE WARRANTIES, YOUR EXCLUSIVE REMEDY, AND ORACLE'S ENTIRE LIABILITY, SHALL BE: (A) THE CORRECTION OF PROGRAM ERRORS THAT CAUSE BREACH OF THE WARRANTY, OR IF ORACLE CANNOT SUBSTANTIALLY CORRECT SUCH BREACH IN A COMMERCIALY REASONABLE MANNER, YOU MAY END YOUR PROGRAM LICENSE AND RECOVER THE FEES PAID TO ORACLE FOR THE PROGRAM LICENSE AND ANY UNUSED, PREPAID TECHNICAL SUPPORT FEES YOU HAVE PAID FOR THE PROGRAM LICENSE; OR (B) THE REPERFORMANCE OF THE DEFICIENT SERVICES, OR IF ORACLE CANNOT SUBSTANTIALLY CORRECT A BREACH IN A COMMERCIALY REASONABLE MANNER, YOU MAY END THE RELEVANT SERVICES AND RECOVER THE FEES PAID TO ORACLE FOR THE DEFICIENT SERVICES.

With respect to third party programs and ancillary programs (as defined in section A above), Oracle will pass through to you, to the fullest extent possible, the warranties from Oracle's licensors as they relate to third party programs.

TO THE EXTENT PERMITTED BY LAW, THESE WARRANTIES ARE EXCLUSIVE AND THERE ARE NO OTHER EXPRESS OR IMPLIED WARRANTIES OR CONDITIONS, INCLUDING WARRANTIES OR CONDITIONS OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE.

F. Trial Programs

You may order trial programs, or Oracle may include additional programs with your order which you may use for trial, non-production purposes only. You may not use the trial programs to provide or attend third party training on the content and/or functionality of the programs. You have 30 days from the delivery date to evaluate these programs. If you decide to use any of these programs after the 30 day trial period, you must obtain a license for such programs from Oracle or an authorized distributor. If you decide not to obtain a license for any program after the 30 day trial period, you will cease using and will delete any such programs from your computer systems. Programs licensed for trial purposes are provided "as is" and Oracle does not provide technical support or offer any warranties for these programs.

G. Indemnification

If someone makes a claim against either you or Oracle ("Recipient" which may refer to you or Oracle depending upon which party received the Material), that any information, design, specification, instruction, software, data, or material ("Material") furnished by either you or Oracle ("Provider" which may refer to you or Oracle depending on which party provided the Material), and used by the Recipient infringes its intellectual property rights, the Provider will indemnify the Recipient against the claim if the Recipient does the following:

- notifies the Provider promptly in writing, not later than 30 days after the Recipient receives notice of the claim (or sooner if required by applicable law);
- gives the Provider sole control of the defense and any settlement negotiations; and
- gives the Provider the information, authority, and assistance the Provider needs to defend against or settle the claim.

If the Provider believes or it is determined that any of the Material may have violated someone else's intellectual property rights, the Provider may choose to either modify the Material to be non-infringing (while substantially preserving its utility or functionality) or obtain a license to allow for continued use, or if these alternatives are not commercially reasonable, the Provider may end the license for, and require return of, the applicable Material and refund any fees the Recipient may have paid for it and any unused, prepaid technical support fees you have paid for the license. If you are the Provider and such return materially affects Oracle's ability to meet its obligations under the relevant order, then Oracle may, at its option and upon 30 days prior written notice, terminate the order. The Provider will not indemnify the Recipient if the Recipient alters the Material or uses it outside the scope of use identified in the Provider's user documentation or if the Recipient uses a version of the Materials which has been superseded, if the infringement claim could have been avoided by using an unaltered current version of the Material which was provided to the Recipient. The Provider will not indemnify the Recipient to the extent that an infringement claim is based upon any information, design, specification, instruction, software, data, or material not furnished by the Provider. Oracle will not indemnify you to the extent that an infringement claim is based upon the combination of any Material with any products or services not provided by Oracle. Oracle will not indemnify you to

the extent that an infringement claim is based upon third party programs or ancillary programs. This section provides the parties' exclusive remedy for any infringement claims or damages.

H. Technical Support

For purposes of the ordering document, technical support consists of annual technical support services you may have ordered for the supportable programs. The term "supportable programs" refers to those programs for which Oracle offers annual technical support services, including third party programs specifically designated on the order as supportable programs. If ordered, annual technical support (including first year and all subsequent years) is provided under Oracle's technical support policies in effect at the time the services are provided. The technical support policies, incorporated in this agreement, are subject to change at Oracle's discretion; however, Oracle will not materially reduce the level of services provided for supported programs during the period for which fees for technical support have been paid. You should review the policies prior to entering into the ordering document for the applicable services. You may access the current version of the technical support policies at <http://oracle.com/contracts>.

Technical support is effective upon the effective date of the ordering document unless otherwise stated in your order. If your order was placed through the Oracle Store, the effective date is the date your order was accepted by Oracle.

Technical support acquired with your order may be renewed annually and, if you renew technical support for the same number of licenses for the same programs (except for any program designated as a third party program), for the first and second renewal years the fee for technical support, (except for technical support fees for third party programs), will not increase by more than 5% over the prior year's fees. Unless otherwise provided in your order, the technical support fee for third party programs that are identified as supportable programs licensed pursuant to an ordering document will equal the fee in effect at the time such technical support is renewed. If your order is fulfilled by a member of Oracle's partner program, the fee for technical support (except for technical support fees for third party programs) for the first renewal year will be the price quoted to you by your partner; the fee for technical support (except for technical support fees for third party programs) for the second renewal year will not increase by more than 5% over the prior year's fees.

If you decide to purchase technical support for any license within a license set, you are required to purchase technical support at the same level for all licenses within that license set. You may desupport a subset of licenses in a license set only if you agree to terminate that subset of licenses. The technical support fees for the remaining licenses will be priced in accordance with the technical support policies in effect at the time of termination. Oracle's license set definition is available in the current technical support policies. If you decide not to purchase technical support, you may not update any unsupported program licenses with new versions of the program.

I. End of Agreement

If either of us breaches a material term of this agreement and fails to correct the breach within 30 days of written specification of the breach, the other party may terminate this agreement. If Oracle ends this agreement as specified in the preceding sentence or ends the license for the program under the Indemnification section, you must pay within 30 days all amounts which have accrued prior to such end, as well as all sums remaining unpaid for programs ordered and/or services received under this agreement plus related taxes and expenses. Except for nonpayment of fees, we each agree to extend the 30 day period for so long as the breaching party continues reasonable efforts to cure the breach. You agree that if you are in default under this agreement, you may not use those programs and/or services ordered. You further agree that if you have used a Oracle Finance Division contract to pay for the fees due under an order and you are in default under that contract, you may not use the programs and/or services ordered and Oracle may end this agreement. Provisions that survive termination or expiration include those relating to limitation of liability, infringement indemnity, payment, and others which by their nature are intended to survive.

J. Fees and Taxes

All fees payable to Oracle are due within 30 days from the invoice date. You agree to pay any sales, value-added or other similar taxes imposed by applicable law that Oracle must pay based on the programs and/or services you ordered, except for taxes based on Oracle's income. Also, you will reimburse Oracle for reasonable expenses related to providing the services. Fees for services listed in an ordering document are exclusive of taxes and expenses. You agree that you have not relied on the future availability of any programs or updates in entering into the payment obligations in your order.

K. Nondisclosure

By virtue of this agreement, the parties may have access to information that is confidential to one another ("confidential information"). We each agree to disclose only information that is required for the performance of obligations under this agreement. Confidential information shall be limited to the terms and pricing under this agreement, any source code for the

programs, and all information clearly identified as confidential. A party's confidential information shall not include information that: (a) is or becomes a part of the public domain through no act or omission of the other party; (b) was in the other party's lawful possession prior to the disclosure and had not been obtained by the other party either directly or indirectly from the disclosing party; (c) is lawfully disclosed to the other party by a third party without restriction on the disclosure; or (d) is independently developed by the other party.

We each agree to hold each other's confidential information in confidence for a period of three years from the date of disclosure. Also, we each agree to disclose confidential information only to those employees or agents who are required to protect it against unauthorized disclosure.

Nothing shall prevent either party from disclosing the terms or pricing under this agreement or orders submitted under this agreement in any legal proceeding arising from or in connection with this agreement or disclosing the information to a federal or state governmental entity as required by law.

L. Entire Agreement

You agree that this agreement and the information which is incorporated into this agreement by written reference (including reference to information contained in a URL or referenced policy), together with the applicable order, are the complete agreement for the programs and/or services ordered by you, and that this agreement supersedes all prior or contemporaneous agreements or representations, written or oral, regarding such programs and/or services. If any term of this agreement is found to be invalid or unenforceable, the remaining provisions will remain effective. It is expressly agreed that the terms of this agreement and any Oracle ordering document shall supersede the terms in any purchase order or other non-Oracle ordering document and no terms included in any such purchase order or other non-Oracle ordering document shall apply to the programs and/or services ordered. This agreement and ordering documents may not be modified and the rights and restrictions may not be altered or waived except in a writing signed or accepted online through the Oracle Store by authorized representatives of you and of Oracle. Any notice required under this agreement shall be provided to the other party in writing.

M. Limitation of Liability

NEITHER PARTY SHALL BE LIABLE FOR ANY INDIRECT, INCIDENTAL, SPECIAL, PUNITIVE, OR CONSEQUENTIAL DAMAGES, OR ANY LOSS OF PROFITS, REVENUE, DATA, OR DATA USE. ORACLE'S MAXIMUM LIABILITY FOR ANY DAMAGES ARISING OUT OF OR RELATED TO THIS AGREEMENT OR YOUR ORDER, WHETHER IN CONTRACT OR TORT, OR OTHERWISE, SHALL BE LIMITED TO THE AMOUNT OF THE FEES YOU PAID ORACLE UNDER THIS AGREEMENT, AND IF SUCH DAMAGES RESULT FROM YOUR USE OF PROGRAMS OR SERVICES, SUCH LIABILITY SHALL BE LIMITED TO THE FEES YOU PAID ORACLE FOR THE DEFICIENT PROGRAM OR SERVICES GIVING RISE TO THE LIABILITY.

N. Export

Export laws and regulations of the United States and any other relevant local export laws and regulations apply to the programs. You agree that such export control laws govern your use of the programs (including technical data) and any services deliverables provided under this agreement, and you agree to comply with all such export laws and regulations (including "deemed export" and "deemed re-export" regulations). You agree that no data, information, program and/or materials resulting from services (or direct product thereof) will be exported, directly or indirectly, in violation of these laws, or will be used for any purpose prohibited by these laws including, without limitation, nuclear, chemical, or biological weapons proliferation, or development of missile technology.

O. Other

This agreement is governed by the substantive and procedural laws of California and you and Oracle agree to submit to the exclusive jurisdiction of, and venue in, the courts in San Francisco, San Mateo, or Santa Clara counties in California in any dispute arising out of or relating to this agreement

If you have a dispute with Oracle or if you wish to provide a notice under the Indemnification section of this agreement, or if you become subject to insolvency or other similar legal proceedings, you will promptly send written notice to: Oracle USA, Inc., 500 Oracle Parkway, Redwood City, California, United States, 94065, Attention: General Counsel, Legal Department.

You may not assign this agreement or give or transfer the programs and/or any services or an interest in them to another individual or entity. If you grant a security interest in the programs and/or any services deliverables, the secured party has no right to use or transfer the programs and/or any services deliverables, and if you decide to finance your acquisition of the programs and/or any services, you will follow Oracle's policies regarding financing which are at <http://oracle.com/contracts>.

Except for actions for nonpayment or breach of Oracle's proprietary rights, no action, regardless of form, arising out of or relating to this agreement may be brought by either party more than two years after the cause of action has accrued. Upon 45 days written notice, Oracle may audit your use of the programs. You agree to cooperate with Oracle's audit and provide reasonable assistance and access to information. You agree to pay within 30 days of written notification any fees applicable to your use of the programs in excess of your license rights. If you do not pay, Oracle can end your technical support, licenses and/or this agreement. You agree that Oracle shall not be responsible for any of your costs incurred in cooperating with the audit.

The Uniform Computer Information Transactions Act does not apply to this agreement.

P. Force Majeure

Neither of us shall be responsible for failure or delay of performance if caused by: an act of war, hostility, or sabotage; act of God; electrical, internet, or telecommunication outage that is not caused by the obligated party; government restrictions (including the denial or cancellation of any export or other license); other event outside the reasonable control of the obligated party. We both will use reasonable efforts to mitigate the effect of a force majeure event. If such event continues for more than 90 days, either of us may cancel unperformed services upon written notice. This section does not excuse either party's obligation to take reasonable steps to follow its normal disaster recovery procedures or your obligation to pay for services provided.

Q. License Definitions and Rules

Adapter: is defined as each software code interface, installed on each Oracle Internet Application Server Enterprise Edition, which facilitates communication of information between each version of a third party software application or system and Oracle programs.

Beacon: is defined as each target that is deployed and managed by the program that measures the response time of remote software or hardware interfaces by communicating with those interfaces over protocols, api's or programmatic interactions and measuring the total time elapsed between the initiation of communication and completion of the associated response from the remote interface.

\$M Annual Transaction Volume: is defined as one million U.S. dollars in all purchase orders transacted and all auctions conducted through the Oracle Exchange Marketplace by you and others during the applicable year of the Oracle Exchange Marketplace license, regardless of whether any such auction results in a purchase order, provided that an auction resulting in a purchase order shall only be counted against the Annual Transaction Volume once.

Applications National Language Support (NLS) Supplement Media Packs: Please be advised that only a subset of the products included on an Applications NLS Supplement Media Pack have been translated. For existing supported customers, MetaLink has information on which products have been translated for the supported languages (<http://metalink.oracle.com>). For new or unsupported customers, please contact your Oracle Account Manager for this information.

Application User, Enterprise Asset Management (EAM) User, Field Sales User, Financials User, Inventory/Shipping User, Marketing User, Manufacturing User, Purchasing User, TeleSales User: is defined as an individual authorized by you to use the applicable licensed application programs which are installed on a single server or on multiple servers regardless of whether the individual is actively using the programs at any given time. If you license the Self Service Work Request option in conjunction with EAM, you are required to maintain licenses for the equivalent number of EAM Users licensed and you are granted unlimited access to initiate work requests, view work request status and view scheduled completion dates for your entire employee population.

Application Read-Only User: is defined as an individual authorized by you to run only queries or reports against the application program for which you have also acquired non read-only licenses.

Base Metric: is defined as that metric limit for which you are licensed to use or benefit from the use of the programs.

Case Report Form (CRF) Page: is defined as the "electronic equivalent" of what would be the total number of physical paper pages initiated remotely by the program (measured explicitly in the program as Received Data Collection Instruments) during a 12 month period. You may not exceed the licensed number of CRF Pages during any 12 month period unless you acquire

additional CRF Page licenses from Oracle.

Collaboration Program User: is defined as an individual authorized by you to use the programs which are installed on a single server or on multiple servers regardless of whether the individual is actively using the programs at any given time. For the purposes of counting and licensing the number of Real Time Collaboration users, a Collaboration Program User within your company is defined as a user able to initiate, or host, a web conference and also participate in a web conference; all participants in the web conference external to your company and attending a web conference are not required to be licensed.

Compensated Individual: is defined as an individual whose compensation or compensation calculations are generated by the programs. The term Compensated Individual includes, but is not limited to, your employees, contractors, retirees, and any other Person.

Computer: is defined as the computer on which the programs are installed. A Computer license allows you to use the licensed program on a single specified computer.

Connector: is defined as each connector connecting the software product with an external product. A unique connector is required for each distinct product that the software product is required to interface.

SM Cost of Goods Sold: is defined as one million U.S. dollars in the total cost of inventory that a company has sold during their fiscal year. If Cost of Goods Sold is unknown to you then Cost of Goods Sold shall be equal to 75% of total company revenue.

Electronic Order Line: is defined as the total number of distinct order lines entered electronically into the Oracle Order Management application from any source (not manually entered by licensed Order Management Users, Professional Users 2003, or Professional Users 2003 - External) during a 12 month period. This includes order lines originating as external EDI/XML transactions and/or sourced from other Oracle and non-Oracle applications. You may not exceed the licensed number of order lines during any 12 month period.

Employee: is defined as an active employee of yours. *(note: The value of these applications is determined by the size of the active employee population and not the number of actual users. Therefore, all of your active employees must be included in your order when licensing these applications.)*

Employee User: is defined as an individual authorized by you to use the programs which are installed on a single server or multiple servers, regardless of whether or not the individual is actively using the programs at any given time.

Expense Report: is defined as the total number of expense reports processed by Internet Expenses during a 12 month period. You may not exceed the licensed number of expense reports during any 12 month period.

Federated Link: is defined as a one-to-one pairing between a source domain and a destination domain. A source domain is the point of origin for a request. A destination domain contains the resource that users from source domains want to access. One source domain might have many pairings with different destination domains and one destination domain might have many pairings with different source domains. Each and every pairing is a federated link.

Field Technician: is defined as an engineer, technician, representative, or other person who is dispatched by you, including the dispatchers, to the field using the programs.

SM Freight Under Management: is defined as one million US Dollars of the total transportation value of tendered orders for all shipments for a given calendar year during the term of the license. FUM shall include the combined total of actual freight purchased by you, plus the cost of freight for shipments managed by you (e.g., you are not purchasing transportation services on behalf of your clients but are providing transportation management services for your clients). Freight that is paid by a third party shall also be included in the FUM total (e.g., inbound shipments from suppliers to you with freight terms of prepaid).

Full Time Equivalent (FTE) Student: is defined as any full-time student enrolled in your institution and any part-time student enrolled in your institution counts as 25% of an FTE Student. The definition of "full-time" and "part-time" is based on your policies for student classification. If the number of FTE Students is a fraction, that number will be rounded to the nearest whole number for purposes of license quantity requirements.

Hosted Named User: is defined as an individual authorized by you to access the hosted service, regardless of whether the

individual is actively accessing the hosted service at any given time.

Implementation Services, Packaged Methods, Architecture Services, Accelerator Services, Assessment Services and Workshops

Each Implementation Service, Packaged Method, Architecture Service, Accelerator Service, Assessment Service and Workshop is provided subject to the statement of obligation for that particular offering and Oracle's consulting services policies. Oracle's consulting services policies may be accessed at <http://oracle.com/contracts>, and are subject to change.

1K Invoice Line: is defined as one thousand invoice line items processed by the program during a 12 month period. You may not exceed the licensed number of Invoice Lines during any 12 month period unless you acquire additional Invoice Line licenses from Oracle.

Learning Credits: may be used to acquire education products and services offered in the Oracle University online catalogue posted at <http://www.oracle.com/education> under the terms specified therein. Learning credits may only be used to acquire products and services at the list price in effect at the time you order the relevant product or service, and may not be used for any product or service that is subject to a discount or a promotion when you order the relevant product or service. The list price will be reduced by applying the discount specified on your order. Notwithstanding anything to the contrary in the previous three sentences, learning credits may also be used to pay taxes, materials and/or expenses related to your order; however, the discount specified above will not be applied to such taxes, materials and/or expenses. Learning credits are valid for a period of 12 months from the date your order is accepted by Oracle, and you must acquire products and must use any acquired services prior to the end of such period. You may only use learning credits in the country in which you acquired them, may not use them as a payment method for additional learning credits, and may not use different learning credits accounts to acquire a single product or service or to pay related taxes, materials and/or expenses. Learning credits are non-transferable and non-assignable. You may be required to execute standard Oracle ordering materials when using learning credits to order products or services.

\$M in Managed Assets: is defined as one million U.S. dollars of the following total: (1) Book value of investment in capital leases, direct financing leases and other finance leases, including residuals, whether owned or managed for others, active on the program, plus (2) Book value of assets on operating leases, whether owned or managed for others, active on the program, plus (3) Book value of loans, notes, conditional sales contracts and other receivables, owned or managed for others, active on the program, plus (4) Book value of non earning assets, owned or managed for others, which were previously leased and active on the program, including assets from term terminated leases and repossessed assets, plus (5) Original cost of assets underlying leases and loans, originated and active on the program, then sold within the previous 12 months.

Membership: is defined as an individual authorized by you to access the hosted service, regardless of whether the individual is accessing the hosted service at any given time.

Metric is defined as that size measurement utilized to: (i) measure the size of your use or benefit from the use of the programs; and (ii) define the limitations of the license granted pursuant to the agreement; and includes Employee Count, Reported Revenues, Student Count, Customer Count and Funds Raised.

Module: is defined as each production database running the programs.

Named User Plus: is defined as an individual authorized by you to use the programs which are installed on a single server or multiple servers, regardless of whether the individual is actively using the programs at any given time. A non human operated device will be counted as a named user plus in addition to all individuals authorized to use the programs, if such devices can access the programs. If multiplexing hardware or software (e.g., a TP monitor or a web server product) is used, this number must be measured at the multiplexing front end. Automated batching of data from computer to computer is permitted. You are responsible for ensuring that the named user plus per processor minimums are maintained for the programs contained in the user minimum table in the licensing rules section; the minimums table provides for the minimum number of named users plus required and all actual users must be licensed.

Network Device: is defined as the hardware and/or software whose primary purpose is to route and control communications between computers or computer networks. Examples of network devices include but are not limited to, routers, firewalls and

network load balancers.

Non Employee User - External: is defined as an individual, who is not your employee, contractor or outsourcer, authorized by you to use the programs which are installed on a single server or multiple servers, regardless of whether or not the individual is actively using the programs at any given time.

Oracle Finance Division Contract: is a contract between you and Oracle (or one of Oracle's affiliates) that provides for payments over time of some or all of the sums due under your order.

Oracle University Knowledge Center Service: is defined as a web based learning environment hosted by Oracle that provides on demand access to either an individual Oracle University training course ("Online Course") or to all of the Oracle University training courses available on the Knowledge Center website ("Passport"). The Oracle University Knowledge Center service is available at <http://www.oracle.com/education/oukc/>, and is made available to you subject to the terms of this agreement and Oracle University's Online Hosting Access Policies, which are located at http://www.oracle.com/education/oukc/hosting_policies.html and may be updated by Oracle from time to time without notice to you. Online Courses are made available on a named user basis, and the Passport is made available on a membership basis. In the event that any Oracle programs are made available for download as part of the service, then use of such programs is subject to the terms of this agreement. If you acquire the Oracle University Knowledge Center service, the term shall be one year from the effective date of your order. **NOTWITHSTANDING ANYTHING TO THE CONTRARY IN THE AGREEMENT, ORACLE DOES NOT WARRANT THAT THE ORACLE UNIVERSITY KNOWLEDGE CENTER SERVICE WILL BE PROVIDED UNINTERRUPTED OR ERROR-FREE.**

Order Line: is defined as the total number of order entry line items processed by the program during a 12 month period. Multiple order entry line items may be entered as part of an individual customer order or quote and may also be automatically generated by the Oracle Configurator. You may not exceed the licensed number of Order Lines during any 12 month period unless you acquire additional Order Line licenses from Oracle.

Order Management User: is defined as an individual authorized by you to use the applicable licensed application programs which are installed on a single server or on multiple servers regardless of whether the individual is actively using the programs at any given time. Order Management Users are allowed to manually enter orders directly into the programs but any orders entered electronically from other sources must be licensed separately.

Orders: is defined as the total number of distinct orders for all programs that are a part of Electronic Orders, entered electronically (not manually entered by licensed professional users) through EDI, XML or other electronic means including purchase orders transmitted from Oracle Purchasing, during a 12 month period. You may not exceed the licensed number of orders during any 12 month period.

Partner Organization: is defined as an external third party business entity that provides value-added services in developing, marketing and selling your products. Depending upon the type of industry, partner organizations play different roles and are recognized by different names such as reseller, distributor, agent, dealer or broker.

Person: is defined as your employee or contractor who is actively working on behalf of your organization or a former employee who has one or more benefit plans managed by the system or continues to be paid through the system. For Time and Labor, a person is defined as an employee or contractor whose time or labor (piece work) or absences are managed by the application. For Project Resource Management, a person is defined as an individual who is scheduled on a project. For Internet Time, a person is defined as an individual who is charging time to a project via the application. The total number of licenses needed is to be based on the peak number of part-time and full-time people whose records are recorded in the system.

Ported Number: is defined as the telephone number that end users retain as they change from one service provider to another. This telephone number originally resides on a telephone switch and is moved into the responsibility of another telephone switch.

Processor: shall be defined as all processors where the Oracle programs are installed and/or running. Programs licensed on processor basis may be accessed by your internal users (including agents and contractors) and by your third party users. For the purposes of counting the number of processors which require licensing for a Sun UltraSPARC T1 processor with 4, 6 or 8 cores at 1.0 gigahertz or 8 cores at 1.2 gigahertz for only those servers specified on the Sun Server Table which can be accessed at <http://oracle.com/contracts>, "n" cores shall be determined by multiplying the total number of cores by a core processor licensing factor of .25. For the purposes of counting the number of processors which require licensing for AMD and Intel multicore chips,

"n" cores shall be determined by multiplying the total number of cores by a core processor licensing factor of .50. For the purposes of counting the number of processors which require licensing for all hardware platforms not otherwise specified in this section, a multicore chip with "n" cores shall be determined by multiplying "n" cores by a core processor licensing factor of .75. All cores on all multicore chips for each licensed program for each core processor licensing factor listed above are to be aggregated before multiplying by the appropriate core processor licensing factor and all fractions of a number are to be rounded up to the next whole number. Notwithstanding the above, when licensing Oracle Standard Edition One or Standard Edition programs on servers with a maximum of 1 processor with 1 or 2 cores, only 1 processor shall be counted.

For example, a Sun UltraSPARC T1 based server installed and/or running the program on 6 cores would require 2 processor licenses (6 multiplied by a core processor licensing factor of .25 equals 1.50 which is then rounded up to the next whole number which is 2). An Intel or AMD based server installed and/or running the program on 7 cores would require 4 processor licenses (7 multiplied by a core processor licensing factor of .50 equals 3.50 which is then rounded up to the next whole number which is 4). Two multicore servers, for hardware platforms not specified above, installed and/or running the program on 10 cores would require 8 processor licenses (10 multiplied by a core processor licensing factor of .75 equals 7.50 which is then rounded up to the next whole number which is 8).

For the Healthcare Transaction Base program, only the processors on which Internet Application Server Enterprise Edition and this program are installed and/or running are counted for the purpose of determining the number of licenses required. For the iSupport, iStore and Configurator programs, only the processors on which Internet Application Server (Standard Edition and/or Enterprise Edition) and the licensed program are running are counted for the purpose of determining the number of licenses required for the licensed program; under these licenses you may also install and/or run the licensed program on the processors where a licensed Oracle Database (Standard Edition and/or Enterprise Edition) is installed and/or running. With respect to the Customer Data Hub program, in determining the number of licenses required, only processors on which both Oracle Database Enterprise Edition and the Customer Data Hub program are running in production shall be counted.

Purchase Line: is defined as the total number of purchase line items processed by the application during a 12 month period. Multiple purchase lines may be created on either a requisition or purchase order or may be automatically generated by other Oracle Application programs. For iProcurement, Purchase Lines are counted as all line items on an approved requisition created in iProcurement. For Purchasing Intelligence, Purchase Lines are counted as the line items on purchase orders processed through this application. This does not include communication on the same purchase order. For each application, you may not exceed the licensed number of Purchase Lines during any 12 month period unless you acquire additional Purchase Line licenses from us. You may acquire a different number of Purchase Line licenses for each program (the number of Purchase Lines for iProcurement could be a smaller number than for Purchasing Intelligence).

\$M in Revenue: is defined as one million U.S. dollars in all income (interest income and non interest income) before adjustments for expenses and taxes generated by you during a fiscal year.

RosettaNet Partner Interface Processes® (PIPs®): are defined as business processes between trading partners. Preconfigured system-to-system XML-based dialogs for the relevant E-Business Suite Application(s) are provided. Each preconfigured PIP includes a business document with the vocabulary and a business process with the choreography of the message dialog.

Service Order Line: is defined as the total number of service order entry line items processed by the program during a 12 month period. Multiple service order entry line items may be entered as part of an individual customer service order or quote. You may not exceed the licensed number of Service Order Lines during any 12 month period unless you acquire additional Service Order Line licenses from Oracle.

Subscriber: is defined as (a) a working telephone number for all wireline devices; (b) a portable handset or paging device that has been activated by you for wireless communications and paging; (c) a residential drop or a nonresidential device serviced by a cable provider; or (d) a live connected utility meter. The total number of Subscribers is equal to the aggregate of all types of Subscribers. If your business is not defined in the primary definition of Subscriber above, Subscriber is defined as each U.S. \$1,000 increment of your gross annual revenue as reported to the SEC in your annual report or the equivalent accounting or reporting document.

Suite: is defined as all the functional software components described in the product documentation.

Tape Drive: is defined as mechanical devices used to sequentially write, read and restore data from magnetic tape media.

Typically used, but not limited to, data protection and archival purposes, tape drives are deployed either as a standalone unit(s) or housed within a robotic tape library. Examples of tape drive include but are not limited to, Linear Tape Open (LTO), Digital Linear Tape (DLT), Advanced Intelligent Type (AIT), Quarter-Inch Cartridge (QIC), Digital Audio Tape (DAT), and 8mm Helical Scan.

Technical Reference Manuals

Technical Reference Manuals ("TRMs") are Oracle's confidential information. You shall use the TRMs solely for your internal data processing operations for purposes of: (a) implementing applications programs, (b) interfacing other software and hardware systems to the applications programs and (c) building extensions to applications programs. You shall not disclose, use or permit the disclosure or use by others of the TRMs for any other purpose. You shall not use the TRMs to create software that performs the same or similar functions as any of Oracle products. You agree: (a) to exercise either at least the same degree of care to safeguard the confidentiality of the TRMs as you exercise to safeguard the confidentiality of your own most important confidential information or a reasonable degree of care, whichever is greater; (b) to maintain agreements with your employees and agents that protect the confidentiality and proprietary rights of the confidential information of third parties such as Oracle and instruct your employees and agents of these requirements for the TRMs; (c) restrict disclosure of the TRMs to those of your employees and agents who have a "need to know" consistent with the purposes for which such TRMs were disclosed; (d) maintain the TRMs at all times on your premises; and (e) not to remove or destroy any proprietary or confidential legends or markings placed upon the TRMs. Oracle shall retain all title, copyright and other proprietary rights in the TRMs. TRMs are provided to you "as-is" without any warranty of any kind. Upon termination, you shall cease using, and shall return or destroy, all copies of the applicable TRMs.

Terabyte: is defined as a terabyte of computer storage space used by a storage filer equal to one trillion bytes.

Test: is defined as each unit of interaction with a software or hardware interface for which the total time elapsed between the initiation of communication and the completion of the resulting response is measured. A test may run on it's own or be set up in conjunction with additional tests so that there are multiple units of interaction. Each unit of interaction must be counted as a Test; execution of a test or set of tests multiple times does not require additional tests. Examples of tests include but are not limited to, an http-get for a URL, icmp-echo for an IP address and sql-execute for a database.

Trainee: is defined as an employee, contractor, student or other person who is being recorded by the program.

UPK Developer: is defined as an individual authorized by you to use the programs which are installed on a single server or multiple servers, regardless of whether the individual is actively using the programs at any given time. UPK Developers may create, modify, view and interact with simulations and documentation.

UPK User: is defined as an individual authorized by you to use the programs which are installed on a single server or multiple servers, regardless of whether the individual is actively using the programs at any given time. UPK Users may view and interact with simulations and documentation but may not create or modify simulations or documentation.

UPK Employee: is defined as an active employee of yours. (note: The value of these applications is determined by the size of the active employee population and not the number of actual users. Therefore, all of your active employees must be included in your order when licensing these applications). UPK Employees may view and interact with simulations and documentation but may not create or modify simulations or documentation.

Workstation: is defined as the client computer from which the programs are being accessed, regardless of where the program is installed.

Term Designation

If your program license does not specify a term, the program license is perpetual and shall continue unless terminated as otherwise provided in the agreement.

1; 2; 3; 4; 5 Year Terms: A program license specifying a 1; 2; 3; 4 or 5 Year Term shall commence on the effective date of the order and shall continue for the specified period. At the end of the specified period the program license shall terminate.

1 Year Hosting Term: A program license specifying a 1 Year Hosting Term shall commence on the effective date of the order and shall continue for a period of 1 year. At the end of the 1 year the program license shall terminate. A program license specifying a 1 Year Hosting Term may only be used for providing internet hosting services.

1 Year Oracle Hosted Term: A program license specifying a 1 Year Oracle Hosted Term shall commence on the effective date of the order and shall continue for a period of 1 year. At the end of the 1 year the program license shall terminate. A program license specifying a 1 Year Oracle Hosted Term must be hosted by Oracle.com via Computer and Administration services.

1 Year Subscription: A program license specifying a 1 Year Subscription shall commence on the effective date of the order and shall continue for a period of 1 year. At the end of the 1 year the program license shall terminate.

Licensing Rules

Failover: Your license for the following programs, Oracle Database (Enterprise Edition, Standard Edition or Standard Edition One), Oracle Database Enterprise Edition Options, Oracle Internet Application Server (Enterprise Edition, Standard Edition, Standard Edition One or Java Edition) and Oracle Internet Application Server Options, includes the right to run the licensed program(s) on an unlicensed spare computer in a failover environment for up to a total of ten separate days in any given calendar year. Any use beyond the right granted in the previous sentence must be licensed separately and the same license metric must be used when licensing the program(s).

Testing: For the purpose of testing physical copies of backups, your license for the Oracle Database (Enterprise Edition, Standard Edition or Standard Edition One) includes the right to run the database on an unlicensed computer for up to four times, not exceeding 2 days per testing, in any given calendar year.

Primary Usage: is defined as each licensed user of the following Oracle applications: Financials, Discrete Manufacturing, Process Manufacturing, Project Costing and Purchasing. Each licensed user is counted only once based on primary usage. You must specify how many users you are licensing for each application. Primary Usage of one of the applications listed above provides the licensed user with the right to use any or all of the other application programs listed above for which you are licensed. This concept also applies to Application Read-Only Users. Each Application Read-Only User of any of the applications listed above has the right to use any or all of the other application programs listed above for which you have also acquired Application Read-Only User licenses. Primary Usage does not provide you with the right to use other application programs including the extensions or options to the application programs listed above.

You are responsible for ensuring that the following restrictions are not violated:

- Oracle Database Standard Edition may only be used on servers that have the ability to run a maximum of 4 single-core processors. For multicore chips, the maximum number of cores per server is determined by multiplying the core processor licensing factors (as specified in the processor definition) by the number of cores. The result must be less than or equal to 4 and the total number of cores must be less than or equal to 8. Oracle Database Standard Edition may also be used on a single cluster of servers supporting up to a maximum of four single-core processors per cluster (2 2-way nodes, 4 1-way nodes, or 1 1-way node and 1 3-way node). For multicore chips, the maximum number of cores per cluster is determined by multiplying the core processor licensing factors (as specified in the processor definition) by the number of cores. The result must be less than or equal to 4 and the total number of cores in the cluster must be less than or equal to 8.
- Oracle Standard Edition One and Internet Application Server Standard Edition One may only be used on servers that have the ability to run a maximum of 2 single-core processors. For multicore chips, the maximum number of cores per server is determined by multiplying the core processor licensing factors (as contained in the processor definition) by the number of cores. The result must be less than or equal to 2 and the total number of cores must be less than or equal to 4.
- The number of TRACE licenses (Rdb Server Option) must match the number of licenses of the associated database.
- The number of Diagnostics Pack and/or Configuration Management Pack licenses must match the number of licenses of the associated Internet Application Server program (Enterprise Edition, Standard Edition or Java Edition). The number of Identity Management licenses must match the number of licenses of the associated Internet Application Server Standard Edition program.
- Application licensing prerequisites as specified in the Applications Licensing Table which may be accessed at <http://oracle.com/contracts>.
- For the TimesTen In-Memory Database, Replication - TimesTen to TimesTen and Cache Connect to Oracle programs, the number of gigabytes (GB) specified in the program name is the maximum size of data store (aggregate of in-memory databases or caches on a single computer system or node in a cluster of servers) irrespective of the number of processors licensed. You may not exceed the specified GB data store limitation unless you acquire additional licenses from Oracle.

If you purchase Named User Plus licenses for the programs listed below, you must maintain the following user